

Working Tax Credit paid with wages

From 6 April 2005

An employer's guide to Working Tax Credit including advance funding

Help

We can help you

By telephone

(Calls may be recorded for quality and training purposes.)

- New employers (less than 3 years) 0845 60 70 143 open Mon – Fri, 8am-8pm and Sat – Sun, 8am-5pm.
- More experienced employers 0845 7 143 143 open Mon – Fri, 8am-8pm and Sat – Sun, 8am-5pm.
- Deaf or hard of hearing employers Textphone
 0845 602 1380

For a list of helplines and opening hours, see your *Employer's Bulletin*.

In person

We have specially trained Business Support Teams covering all parts of the country to help you understand

- · what records to keep
- what returns to make
- when to send us information.

The Business Support Team offers a range of workshops on many of the topics relevant to employers. These workshops are available at locations nationwide.

For more information on these workshops and other ways in which the Business Support Team can help either

- log on to our website at www.inlandrevenue.gov.uk/bst or
- call the New Employer's Helpline on 0845 60 70 143 and ask for details of your local Business Support Team.

At your local Inland Revenue office

Your local Inland Revenue office can also help you. To contact them, look under 'Inland Revenue' in your telephone book. Write the telephone number below for future use.



Please tell us your reference, which you can find on all correspondence from your Inland Revenue office.

If your enquiry is about one of your employees, please also tell us their National Insurance number.

By Internet

Log on to the employer's website at www.inlandrevenue.gov.uk/employers

Further guidance

Employer's Help Books

There are a number of Employer's Help Books designed to help you operate straight forward PAYE, NICs and other payroll related matters. The Help Books are for guidance only. They are not comprehensive and have no legal force.

We also have a number of other booklets that give further guidance, for example

- CWG2(2005) Employer's Further Guide to PAYE and NICs
- CWG5(2005) Class 1A NICs on benefits in kind
- 480(2005) Expenses and Benefits A tax guide

You can view the full range of these booklets, and other forms and guidance on

- the Internet at www.inlandrevenue.gov.uk/employers
- the Employer's CD-ROM*.

or you can

- download them from the Internet www.inlandrevenue.gov.uk/employers
- print them from the CD-ROM*.
- get copies from the Employer's Orderline www.inlandrevenue.gov.uk/employers

Phone 0845 7 646 646 Fax 0870 2 406 406

Check the Order Form in your *Employer's Pack* for a full list of what is available and how to order.

Forms and guidance in Braille, large print or audio

We have a range of services for people with disabilities, including leaflets in Braille, audio and large print. For details, please ask at your local Inland Revenue office or Enquiry Centre.

Yr laith Gymraeg

Ffoniwch **0845 302 1489** i dderbyn fersiynau Cymraeg o ffurflenni a chanllawiau.

*The CD-ROM contains interactive features designed to help the newcomer to payroll. These simple on-line guides take the reader through the calculation of tax and National Insurance, Statutory Sick Pay, Working Tax Credit and Student Loan Deductions.

Calculators have been built in to help speed up your calculations of

- Pay Adjustment and PAYE
- NICs contracted-out and not contracted-out
- Car benefit and Car Fuel benefit
- Student Loans
- Statutory Sick Pay
- · Statutory Maternity Pay

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Action to take as the tax year changes

Background

Working Tax Credit replaced, among other things, the adult elements of Working Families' Tax Credit (WFTC) and the Disabled Person's Tax Credit (DPTC) from 6 April 2003. It is for working people, whether or not they have a child. Working Tax Credit, apart from the childcare element, is paid with wages.

Child Tax Credit replaced the child-related elements of WFTC and DPTC, plus the Children's Tax Credit from 6 April 2003. From April 2004 it replaced the child elements of Income Support and income based Jobseekers Allowance. The Child Tax Credit is not paid with wages. Along with the childcare element of Working Tax Credit, it is paid directly to the person in the family who is mainly responsible for looking after the children.

Action to take at the end of the tax year 2004-05

If you have paid Working Tax Credit at any time in the tax year 2004-05

- show the tax credit paid to each employee on form P14 End of Year Summary and their form P60 End of Year Certificate
 - form P60 must be provided to all employees still employed by you at 5 April 2005 who have been in receipt of Working Tax
 Credit regardless of whether tax or National Insurance contributions have been deducted.
- complete the form P35 Employer's Annual Return to show
 - the total tax credit you paid to your employees in the tax year, and
 - the amount of funding you received from us to pay tax credits.

Action to take at the start of the tax year 2005-06

If you are still paying Working Tax Credit at 5 April 2005

- do not stop paying tax credit unless we tell you to or your employee leaves or dies
- continue paying tax credit at the most recent daily rate that we have told you to - if we want you to stop or to amend the daily rate, we will tell you.

If you have been receiving advance funding from us during the tax year 2004-05

If you need this funding to continue in 2005-06, you will need to renew your funding application, using form TC716.

You should receive this form around the end of March and you must return it to us by 20 May 2005 to ensure that funding continues without a break. If you have not received form TC716 by 19 April you should contact your Accounts Office.

For your information

Claimants are currently being paid tax credit based on their 2003-04 income and an estimate of their 2004-05 income. From April 2005 we will be reviewing their actual income and circumstances for 2004-05:

- to finalise their 2004-05 tax credit award, and
- to set their provisional award for 2005-06.

This review process does not directly affect employers. But you can help yourself and your employees by encouraging them to retain payslips, forms P60 (issued May 2005) and forms P11D (issued July 2005) as this will help them to complete their renewal claims and will reduce requests for duplicates from your employees.

If, as a result of the review, we need to ask you to stop paying tax credit or amend the daily rate, we will issue stop or amendment notices in the usual way. We expect to issue a stop or amendment notice for each employee to whom you are paying tax credit. In cases where we receive a change of circumstances from the claimant at the same time as we are reviewing their award, we will issue two amendment notices. These should be dealt with in the same way you would normally deal with two amendments for the same employee.

Working Tax Credit paid with wages - the bigger picture

This booklet does not cover all the law and details of Working Tax Credit payments by employers. The booklet contains only what most employers will need to know to be able to run an efficient payroll operation.

Special cases and situations are shown throughout the booklet with pointers on where to go for more information or help. But the guiding rule is - if in doubt call the Employer's Helpline as soon as possible on **0845 7 143 143**.

Background

Working Tax Credit is a government-funded earnings top-up. The amount paid depends initially on the claimant's current personal and family circumstances and income in the previous tax year. The amount can change if the claimant's income or circumstances change.

Who gets Working Tax Credit?

Anyone who is awarded Working Tax Credit by the Tax Credit Office.

Who pays?

All employers must be ready to pay Working Tax Credit with wages through the payroll.

The Inland Revenue pays the first 42 days money direct to your employee. After that you will pay Working Tax Credit, with wages, until you are told to stop or your employee leaves or dies.

We will issue a *start notice*, form TC700, giving you 42 days notice of when payments are due to start and how much to pay. This should give you time to get your payroll organised and look at whether you will have enough money to cover the payments.

The Government is proposing phasing out the payment of Working Tax Credit through employers and replacing it with direct payment to the claimant.

Payment through employers will continue in the 2005-06 tax year whilst we discuss with employer and payroll representatives the best approach to ensure that the transition to direct payments goes smoothly for both claimants and employers. We will give both employers and claimants ample notice about the switch to direct payment.

You should continue paying Working Tax Credit to your employees in accordance with the instructions we have sent you until you are told to stop or your employee leaves or dies.

Special cases

Go to page 15 for an insolvent business.

First things to do

Check the details on the Start notice - page 7.

Check that you will have enough money to cover the payments - page 8.

Where does the money come from?

You must pay Working Tax Credit out of the deductions you make for

- PAYE tax
- · Student Loan deductions
- National Insurance contributions (employer and employee)
- Subcontractor deductions in the Construction Industry Scheme (CIS).

So check that the total of what you have to pay out in Working Tax Credit will be covered by what you expect to collect from all your employees in the same period.

If your deductions will not cover the Working Tax Credit payments, you can ask us to fund the difference.

At the end of the tax year

Working Tax Credit must be shown as a separate entry on your employee's payslip and form P60 *End of Year Certificate*.

Your form P35 *Employer's Annual Return* will have entries for

- the total Working Tax Credit you have paid out and
- the amount of funding you received from us to pay tax credits.

Keeping records

You must keep records of payment and Working Tax Credit forms received from us and retain them for three years after the end of the tax year to which they relate.

Documents important for claims

Tell your employees to keep their

- payslips
- P60
- form P9D details of expenses
- form P11D details of expenses and benefits.

If they claim Working Tax Credit, they will have to put details of earnings and taxable benefits in kind received in the last tax year on the claim form.

Information

Employment rights

Employees can appeal to an Employment Tribunal if their employer dismisses or discriminates against them on the grounds that they are entitled to receive Working Tax Credit.

The Start notice

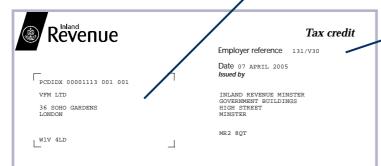
This will arrive at least 42 days before the date when you must start payment.

Check that it's right

Employer

- No longer running PAYE? Tick the box in the 'Declaration' on the back of the form and send it back to the Tax Credit Office (TCO). (The TCO will pay your employee direct.)
- Not making any payroll deductions? Tick the box in the 'Declaration' on the back of the form and send it back to the TCO.
- Address wrong? call the Employer's Helpline on 0845 7 143 143

Extract of form TC700, page 1



Start notice

Please start paying tax credit to the employee named below with his or her pay. Check that this person works for you, and that you expect to employ them for at least three pay periods that follow one after the other from the start date shown below.

If you do not, or if you no longer operate PAYE, please complete the declaration werlea and return this form to us at the above address.

Check that the employer reference shown above is correct. If it is not please phone the number at the bottom of this letter and tell us the correct reference. You should still start to pay tax credit even if the employer reference shown is incorrect.

Employee's surname

First name

National Insurance number

Payroll/Works number

Start paying tax credit from

DOE

JANE

National Insurance number

AB 12 34 56 C

W/1272

Issue number

0001

Start paying tax credit from

The daily rate of tax credit is £10.36 each calendar day

(including Saturdays and Sundays)

Continue paying tax credit until we tell you to stop, or the employee leaves. The daily rate is per calendar day, so for weekly paid staff multiply the daily rate by 7. Monthly paid staff should receive the daily rate multiplied by the number of days in the month (including weekends and public holidays).

The table overleaf will help you work out how much tax credit to pay each pay day. Enter the amount of tax credit for each pay period on the employee's P11 Deduction Working Sheet or equivalent record. Show tax credit as a separate item on the employee's payslip.

Tax credit is not subject to PAYE or NICs. Further guidance can be found in Employer Help Book *Day-to-day payroll*, *E13*.

If you need help please call the tax credit Employer's Helpline on 08457 143 143.

TC700 BS9/02

Employer reference

Wrong? - Call the Employer's Helpline on **0845 7 143 143**.

Employee name

Not on your payroll? - Tick the box in the 'Declaration' on back of the form and send it back to the Tax Credit Office.

Start paying

- Employee left? Tick the box in the 'Declaration' on the back of the form, note the date of leaving, and send the form back to the Tax Credit Office.
- Due to leave? If your employee won't have at least 3 consecutive pay packets from you after the 'start date', tick the box in the 'Declaration' on the back of the form, note the date of leaving, and send it back to the Tax Credit Office.

Where does the money come from? page 8
Paying Working Tax Credit with wages page 10

Where does the money come from?

We will give you 42 days notice that we want you to pay Working Tax Credit.

You must pay the Working Tax Credit out of the payroll deductions you make for

- PAYE tax
- Student Loan deductions
- National Insurance contributions (employer and employee)
- Subcontractor deductions in the Construction Industry Scheme (CIS).

Use the 'quick check' on the next page to see if you will have enough funds to cover the Working Tax Credit payments you are required to make. If not ask us for help with advance funding for payments immediately.

Advance funding

Applying for money to help pay Working Tax Credit is easy.

The money will be paid into your business bank or building society account by the 6th of each month. The initial amount will cover any payments to be made in the first two months. We will then automatically adjust the amount if we ask you to pay

- more Working Tax Credit an increase in the total tax credit amounts or new Working Tax Credit employees
- less Working Tax Credit a decrease in the total tax credit amounts or fewer Working Tax Credit employees.

Please give us at least 9 working days before the 6th of the month so we have time to organise the funds. But don't worry. If time is short we will do our best to get funding to you as soon as possible.

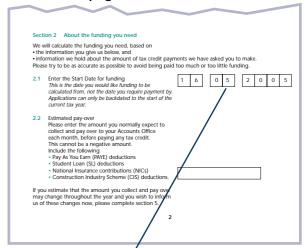
Use the form TC711 Tax credit funding application.

This arrived with your first Start notice. But if you can't find it

- print one off from the Forms and Guidance section of the Employer's CD-ROM
- call the Employer's Orderline on 0845 7 646 646
- go to www.inlandrevenue.gov.uk/employers/ emp-form.htm
- fax an order on 0870 2 406 406.

Section 2 of the form asks for the Start Date for funding.

Form TC711, page 2



Show the start of the Working Tax Credit pay period where you don't expect to have enough payroll deductions to cover the Working Tax Credit payment.

Information

After you have asked for funding

- watch for the statement of Monthly funding, form TC712 Funding notice. This lets you know how much to expect
- tell us straight away if there are changes to the details of your original application
 - use form TC717 Employer funding change of circumstances, or
 - call the Cumbernauld Accounts Office on 0845 602 3518.
- at the end of the tax year 5 April if you have funding left over call the Cumbernauld Accounts Office.

If you have any questions about funding call the Cumbernauld Accounts Office on **0845** 602 **3518**.

Special cases

Go to page 15 for disagreements on the amount of funding.

Renewal of funding

If you have been receiving advance funding from us during the year 2004-05 and want this to continue in the tax year 2005-06 see page 4 for further information.

Where does the money come from? continued

Quick check - will you have enough money to cover payments?

Zuick check - will you have enough	gir money to ce	vei payii	IICII	113:			
Working Tax Credit is paid for every calendar day, not just working days.							
Daily rate of tax credit from front	of Start notice		A	£			
First tax credit payment							
Number of calendar days start date to end of pay period (inclusive)		x (box	A)	£	=	B £	
Subsequent payments							
Number of calendar days		<i>(</i> 1		C		0 6	
in pay period		x (box	A)	£	=	C £	
Total of first two pay period's tax credits (boxes B + C) = D £							
Money you expect to collect for t	the same period	from all y	/ou	r employees			
PAYE tax			Е	£			
Student Loan deductions			F	£			
National Insurance contributions (employer and employee)							
Subcontracter deductions in the Construction Industry Scheme							
Total money available (boxes E + F + G + H)							
Less what you expect to pay out Statutory Maternity/Paternity/Add		ı	J	£			
Net amount available for paying Working Tax Credit (box I minus box J) = K £							

If K is less than D you won't have enough to cover the tax credit payments. Fill in your form TC711 *Tax credit funding application*.

Paying Working Tax Credit with wages

The Start notice, form TC700 will tell you when to start and how much to pay.

Starting payments

- Pay the Working Tax Credit every pay day unless you have no wages to pay. If you have no wages to pay, see section 'No wages/Salary due' on this page.
- Pay the daily rate shown on the Start Notice multiplied by the number of calendar days in the pay period.

The start and finish periods probably won't be a full week or month but otherwise you will pay 7 days to weekly paid employees; for monthly paid employees it will be 28 (29) days for February, 30 or 31 days for other months.

- Pay Working Tax Credit in advance if you pay your employee in advance.
- Pay the full amount even if your employee hasn't worked for you every day of the pay period.
- · Pay the full amount even if you are only paying
 - Statutory Sick Pay (SSP)
 - Statutory Maternity Pay (SMP)
 - Statutory Paternity Pay (SPP)
 - Statutory Adoption Pay (SAP)
 - sickness, maternity, paternity or adoption payments under your own scheme.
- Show the Working Tax Credit as a separate entry on the employee's pay slip as an addition to net pay.
- Keep a record of the Working Tax Credit paid on the form P11 Deductions Working Sheet, or equivalent.

Do not

- Add Working Tax Credit to wages before you work out tax and National Insurance contributions. It's not liable to PAYE tax and National Insurance contributions.
- Add Working Tax Credit to wages when working out pension contributions. It's not treated as earnings.
- Deduct Working Tax Credit from your employee's individual PAYE tax.

Changes to amounts

We will send you an *Amendment notice*, form TC701 if we want you to change the daily rate and we will give you 42 days notice. But we won't ask you to deal with more than two amendments in the employee's pay period (weekly/monthly/other). If you do get a third amendment call the Employer's Helpline on **0845 7 143 143**.

Do not stop paying the tax credit to an employee just because you suspect that they are not entitled to it or should be getting a smaller amount. Employees (claimants), not you (the employer) are responsible for telling us about changes in their circumstances which could affect their tax credit entitlement. However, if you are particularly concerned, please telephone the Employer's Helpline. The matter will then be reported to the Tax Credit Office who will, if necessary, contact the employee to see if there has been a change in their circumstances.

No wages/salary due

As a general rule you can make up a pay packet for an employee just to pay the Working Tax Credit. But you don't have to. If you prefer not to, please call the Employer's Helpline for advice. This is especially relevant in cases where

- an employee to whom you pay Working Tax Credit is not due to receive any wages, SSP, SMP, SPP or SAP in a pay period and
- you do not know when, if at all, that employee will start work again, even though they remain on your payroll (for example, casual workers who may have long gaps between periods of working).

You may in such cases wish to remind your employees that they should report changes of circumstances (eg reduced working hours, unpaid leave lasting for more than 4 weeks etc) that may affect their entitlement.

Provided you have paid tax credit in accordance with our instructions to you, you will not be responsible for any overpayment resulting from your employees' failure to give us information that affects their tax credit award.

Paying Working Tax Credit with wages continued

Stopping payment

You can only stop payment if

- · we tell you to on either
 - a form TC702 Stop notice, (you will have 42 days' notice), or
 - a form TC703 Emergency stop notice,
 (we will have agreed a date with you)
- you have no wages, SSP, SMP, SPP or SAP to pay on pay day. If this is the case, please call the Employer's Helpline for advice (see section 'No wages/salary due' on page 10)
- · your employee
 - leaves, or
 - dies.

Special cases

Go to page 15 for

- · Mistakes in payment
- Paying tax credit beyond the employee's leaving or date of death
- · Employee loans
- · Earnings Orders
- · Holiday Pay in advance
- · Trade disputes
- · Employees with more than one employer

Paying Working Tax Credit with wages is continued on page 12

Paying Working Tax Credit with wages continued

Examples

Work out how many days there are

- from the date you have been told to start paying Working Tax Credit, to
- the last day of the pay period in which the Working Tax Credit start date falls.

Include the start date and the last day.

Weekly paid

Daily rate of Working Tax Credit - £10.36, employer pays every Wednesday, one week in arrears, for work done in previous week. Pay period is Monday to Sunday.

Start date of Working Tax Credit is 12 May 2005.

On Wednesday 18 May 2005 the employer will pay

- 4 days Working Tax Credit £10.36 x 4 = £41.44 (Thursday 12 - Sunday 15 May)
 plus
- · wages for the period 9 15 May.

The following Wednesday the employer will pay Working Tax Credit £10.36 x 7 = £72.52

Monthly paid

Daily rate of Working Tax Credit - £10.36, employer pays on last working day of the month, in this example 31 May 2005.

The last day of the pay period is 31 May 2005.

Start date of Working Tax Credit is 12 May 2005.

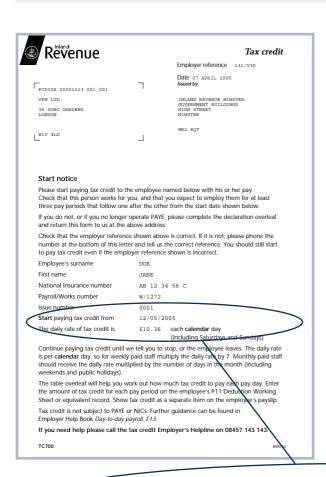
On Tuesday 31 May 2005 the employer will pay

 20 days Working Tax Credit £10.36 x 20 = £207.20 (12 - 31 May)

plus

· the month's salary.

The following month the employer will pay Working Tax Credit £10.36 x 30 (days in June) = £310.80



Information

Working Tax Credit is paid for every calendar day, not just working days.

Employees will have different daily rates, depending on their circumstances.

Pay periods follow the employer's payroll procedures.

Start paying tax credit from The daily rate of tax credit is 12/05/2005

£10.36 each calendar day (including Saturdays and Sundays)

Record keeping and balancing the books

You must keep all payroll records and Working Tax Credit forms for three years after the end of the tax year to which they relate.

Information

From time to time Inland Revenue officers visit employers to see if their payroll is running smoothly. If they call on you they will ask to see your tax credits records and documents.

Under tax credits legislation, penalties can be imposed where employers fail to pay Working Tax Credit correctly or to provide correct information. However, penalties are used as a last resort, and they cannot be imposed where an employer has made an innocent error.

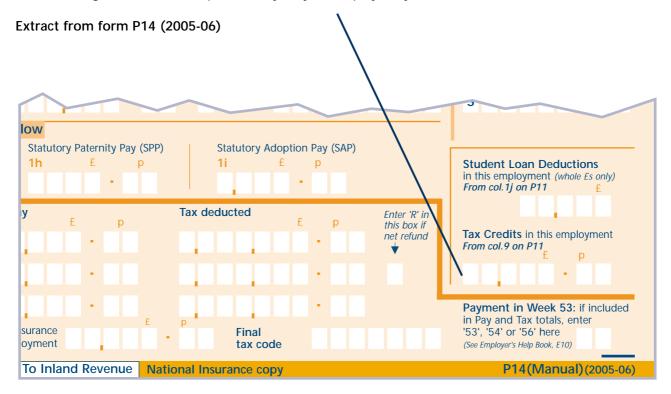
You must keep a record of tax credit paid on the employee's form P11 *Deductions Working Sheet*, or something similar.

Extract from form P11							
		K code	es only		K codes only		
Total taxable pay to date: column 3 <i>minus</i> column 4a or column 3 <i>plus</i> column 4b *	Total 'tax due' to date as shown by <i>Tables</i> <i>SR</i> + <i>B</i> to <i>D</i>	Tax due at end of current period Mark refunds 'R'	Regulatory limit: 50% of column 2 entry	Tax deducted or refunded in the week or month Mark refunds 'R'	Tax not deducted owing to the Regulatory limit	Tax Credits	
5 £ p	6 £ p	6a £ p	6b £ p	7 £ p	8 £ p	9 £ p	
!							

Enter Working Tax Credit paid on your Accounts Office payslip, form P30BC. Extract from form P30BC Calculation of net Income Tax - monthly payments Income Tax Student Loan Tax Credits paid Net Income Tax **Gross NIC** Statutory Sick Pay Stat Date including subcontractor **Deductions** to employees (1+2 minus 3) (SSP) recovered (SN 1 deductions 2 5 £ 6 7 £ 3 4 £ £ 5 May 5 Jun 5 July 5 Aug 5 Sep 5 Oct 5 Nov 5 Dec 5 Jan 5 Feb

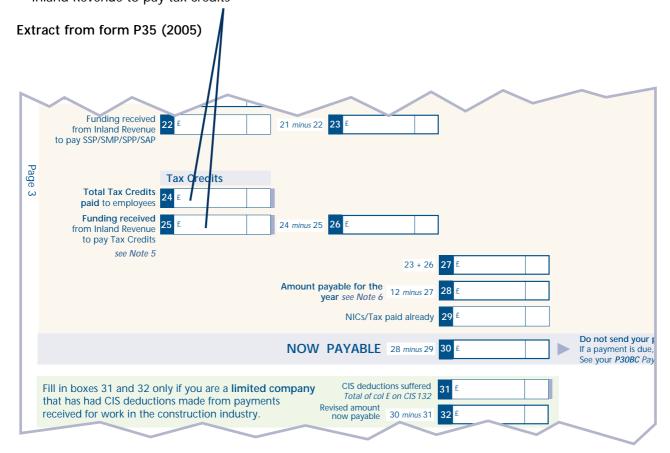
Record keeping and balancing the books continued

Enter Working Tax Credit as a separate entry on your employee's year-end form, the P14 and the P60.



Enter on your form P35 Employer's Annual Return

- · the total Working Tax Credit paid
- the amount of funding you received from the Inland Revenue to pay tax credits



Special cases

From Page 5

Insolvent business

If you are no longer able to pay your employees Working Tax Credit please call the Employer's Helpline on **0845 7 143 143**.

From Page 8

Disagreements on the amount of funding

If you think the amount on the monthly *Funding notice*, form TC712, is wrong call the Cumbernauld Accounts Office. The phone number and reference you will need are at the top of the form.

In the unlikely event that you cannot sort out the problem over the phone you can make a more formal appeal. But you must do this, in writing, within 30 days of the issue date on the top of the form TC712.

Ask your local Inland Revenue office for leaflet IR37 Appeals against tax, National Insurance contributions, Statutory Sick Pay and Statutory Maternity Pay. This will give you more detail on how the appeal system works.

From Page 11

Mistakes in payment

You must make your own arrangements to get the money back if you have paid

- too much, because you have paid more than we told you to, or
- · you have paid the wrong person.

If you have paid too much (or too little) Working Tax Credit in one pay period you can put it right by paying a smaller (or larger) amount in a subsequent period.

Paying tax credit beyond the employee's date of leaving or date of death

If by mistake you have paid Working Tax Credit beyond the date on which an employee left or died

- ring the Employer Helpline on 0845 7 143 143 or
- write to the Tax Credit Office, Preston, PR1 OSB.

Whether you write or phone, you will need to tell us

- the employee's name and NINO
- your PAYE reference number
- · the last date for which you paid Working Tax Credit
- · the date the employee left or died.

We will confirm the details reported in writing if you request this.

From Page 11 continued

Employee loans

Always pay the full amount of Working Tax Credit we have told you to pay. You must not take Working Tax Credit money to cover repayments due on loans made to your employees.

Earnings Orders

You cannot take Working Tax Credit money to cover

- Attachment of Earnings Orders (including Council Tax ones)
- Arrestment of Earnings (Scotland)
- Child Support Agency Deductions from Earnings Orders.

For further advice about

- Attachment orders contact the court or local authority
- CSA orders call 0845 7 133 133
 Monday to Friday 8.00am until 8.00pm
 Saturday 8.30am to 5.00pm.

Holiday Pay in advance

If you pay holiday pay in advance you should also pay the Working Tax Credit in advance.

Trade disputes

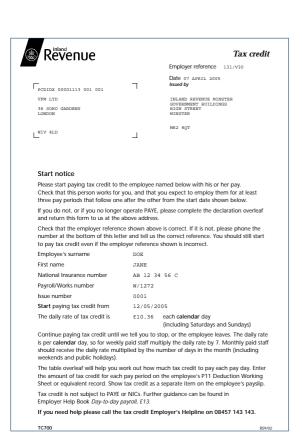
For trade disputes lasting no more than 10 consecutive days on which the employee should have been working, pay the full amount of Working Tax Credit due, even if wages are reduced because of the dispute.

For trade disputes lasting 11 or more consecutive days on which the employee should have been working, call the Employer's Helpline on **0845 7 143 143**.

Employees with more than one employer

Claimants are asked to provide details of their main employer on their claim form. This will be the employer for whom they normally work the most hours each week.

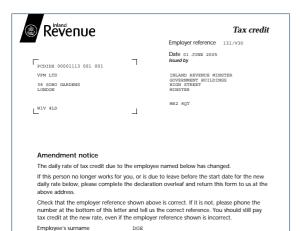
What the main forms look like



• form TC700 Start notice

We will use this form to tell you when to start paying Working Tax Credit and we will give you 42 days notice of the daily rate you have to pay.

Security - this form is on watermarked paper with a blue and pink background print.



National Insurance number

Start paying the **new** rate from 12/07/2005

Employer Help Book Day-to-day payroll, E13.

Payroll/Works number

Issue number

form TC701 Amendment notice
 We will use this form to tell you

We will use this form to tell you about a change in the amount of Working Tax Credit for an employee. We will give you 42 days notice to amend the daily rate you pay.

Security - this form is on watermarked paper with a blue and pink background print.

AB 12 34 56 C

W/1272

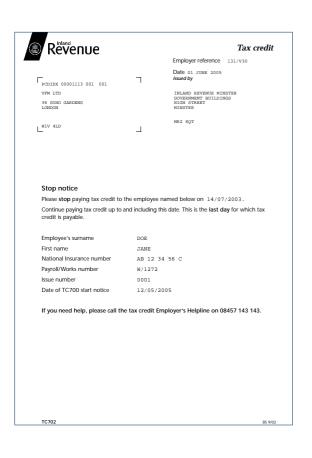
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The **new** daily rate of tax credit is £6.40 each **calendar** day (including Saturdays and Sundays)

Continue paying tax credit until we tell you to stop, or the employee leaves. The daily rate is per calendar day, so for weekly paid staff multiply the daily rate by 7. Monthly paid staff should receive the daily rate multiplied by the number of days in the month (including weekends and public holidays).

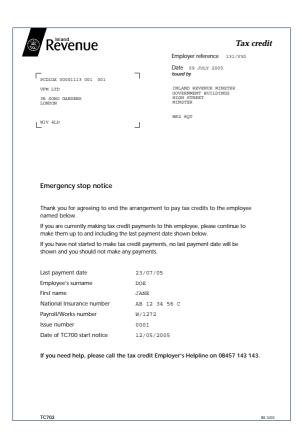
The table overleaf will help you work out how much tax credit to pay each pay day. Enter the amount of tax credit for each pay period on the employee's P11 Deduction Working Sheet or equivalent record. Show tax credit as a separate Item on the employee's payslip. Tax credit is not subject to PAYE or NICs. Further guidance can be found in

What the main forms look like continued



• form TC702 Stop notice

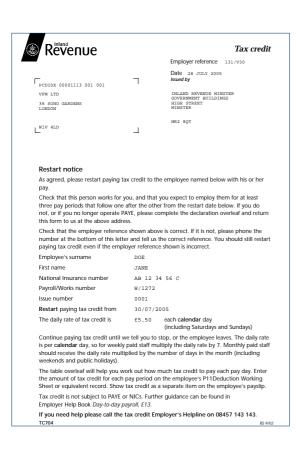
We will use this form to give you authority to stop paying Working Tax Credit. We will give you 42 days notice of this cessation from the date of issue of the Stop Notice.



• form TC703 Emergency stop notice

We will agree a date with you from which you are to stop paying Working Tax Credit before sending this notice.

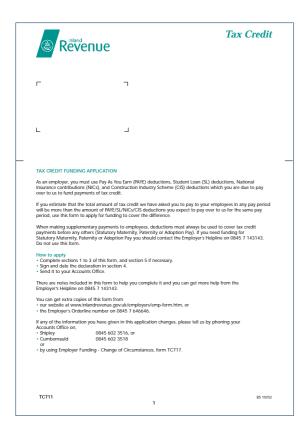
What the main forms look like continued



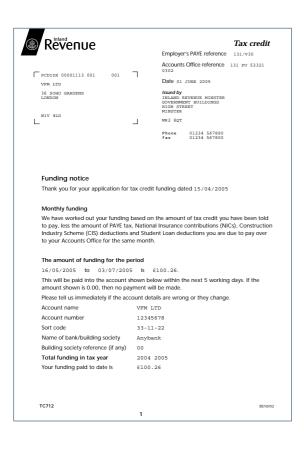
form TC704 Restart notice

We will use this form if we want you to start paying Working Tax Credit again after we sent you an *Emergency stop notice*, form TC703. We will agree a date with you before sending the notice.

Security - this form is on watermarked paper with a blue and pink background print.



- form TC711 Tax credit funding application
 Use this form if you need to ask us for money in advance to cover payments of Working Tax Credit. The form arrives with the first Start notice, form TC700. If you need more forms
 - call 0845 7 646 646
 - fax 0870 2 406 406
 - go to www.inlandrevenue.gov.uk/employers/ emp-form.htm
 - print one from the CD-ROM.



• form TC712 Funding notice

We will use this form to give you details of

- the amount of money we are crediting to your business bank or building society account
- when it will be paid in
- confirmation of the account.

Reve	nue	Tax Credit
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L	٦	
Please use this form to to application (TC711). Do	CHANGE OF CIRCUMSTANCES ell us of a change to information contained on your exinates this form to make your first application for fur	
Please tell us about any of changes to your bank	le from the sources listed below. changes to your original application. It is particularly in or building society account e in your pay over amount.	nportant that you tell us about
	stions 1.1, 1.2, 1.3 and section 4. If any of these parts. Apart from these sections, you only need to provide inf	
If you need further help	completing this form phone the Employer's Helpline o	n 0845 7 143143.
You can get copies of th • our website at www.in • the Employer's Orderli	landrevenue.gov.uk/employers/emp-form.htm, or	
Alternatively you can tell • Shipley • Cumbernauld	l us of a change of circumstances by phoning your Acc 0845 602 3516, or 0845 602 3518	ounts Office on,
TC717	1	BS 10/02

form TC717 Employer funding - change of circumstances

Use this form to tell us if there are changes to the details of your original application. The form arrives with the first *Funding notice*, form TC712. If you need more forms

- call 0845 7 646 646
- fax 0870 2 406 406
- go towww.inlandrevenue.gov.uk/employers/emp-form.htm
- print one from the CD-ROM.

Revenue	Tax Credit
кечепие	Employer's PAYE reference 131/V30
	Accounts Office reference 131 P U 53321
	Date 14 March 2005
PCDIDX 000011133 001 001	Issued by INLAND REVENUE MINSTER
VFM LTD	GOVERNMENT BUILDINGS HIGH STREET
36 SOHO GARDENS LONDON	MINSTER MR2 8QT
W1V 4LD	
	Phone 01234 567890 Fax 01234 567800
RENEWAL OF EMPLOYER FUNDING APPL	ICATION FOR TAX CREDIT PAYMENTS
	application for the payment of tax credit funding. If you do not 15, you may no longer receive funding and will have to reapply if
If the amount of funding you require or you the boxes in Section 1 or Section 2. Then co Alternatively, you can tell us if you no longe	ur bank details have changed, please tell us the correct information in complete the declaration in Section 3, and return the form to us. er require funding.
If you have no changes to tell us about go s us.	straight to section 3, complete the declaration, then return this form to
If you need help please call the Employer's i	Helpline on 0845 7 143 143.
We have sent 2 copies of this form, 1 for yo	u to complete and send back to us and 1 for your records.
Please make sure you tick one of the boxe	es below
I wish to renew my funding application:	Please complete this form and return it to us in the envelope provided.
I do not wish to renew my funding applicati	ion: Please sign the declaration on page 3 and return it to us in the envelope provided.
TC716	BS 02/02

• form TC716 Renewal of Employer Funding Application

Use this form to renew your funding application. You must return it to us within 30 days of the date on the renewal application. If you fail to do this we will stop your funding with effect from 28 May 2005.