



# Information Sheet

## Students and Tax

Students must pay tax on their earnings just like anyone else. However, like everyone else students have a tax-free Personal Allowance that they can earn before they pay tax.

### Your Personal Allowance

For the tax year 6 April 2012 - 5 April 2013 the basic personal allowance is **£8,105**.

The important thing to note is that student loans along with bursaries and scholarships are classed as tax-free income and therefore do not count towards this personal allowance.

The allowance is spread across the year, and apportioned on a weekly or monthly basis, depending on how often you are paid. You will pay tax on anything you earn above this figure. If your earnings vary throughout the year you may pay too much in tax – don't worry though you will be able to claim it back!

### How to get a Tax Refund

If at the end of the Tax Year you have earned less than the Personal Allowance and have paid tax, you can claim a refund. Visit [www.direct.gov.uk/studenttaxadvice](http://www.direct.gov.uk/studenttaxadvice) and use the tax calculator to work out if you are due a refund.

You may still have paid too much tax even if you have earned over the Personal Allowance particularly if you have had more than one job – use the tax calculator to check.

If you are due a refund you will need to contact your local tax office – you will not get a refund unless you ask – be pro-active!

It is important that you keep forms and payslips given to you by an employer. Without these it can be difficult if not impossible to get a refund of overpaid tax.

**P45** Provided by an employer when you stop working for them.

**P60** Provided by your employer at the end of each tax year and is a summary of your pay and the tax that's been deducted from it in the tax year.

If you stop working to enter full-time education and do not expect to go back to paid work before the start of the new tax year on 6 April then you do not have to wait to the end of the tax year to get a refund of tax. You will need to complete a Form P50 and send it with your P45 to the appropriate Tax Office. Further information on claiming back tax paid during the current tax year and to download a Form P50 visit [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

### **What if I only work during the holidays?**

If you only work during the holidays and expect to earn less than the Personal Allowance during the tax year, you should ask your employer for a form called P38(S). This will allow the employer to pay you without deducting tax from your wages.

### **About your tax code**

Tax codes are found on payslips, P45s or P60s. Most students will see a 3 digit number followed by a letter, 810L means that your full Personal Allowance of £8,105 is taken into account when calculating tax due. Code BR means that all your earnings from that employer are taxed at the Basic Rate currently 20%. This is common when you have more than one job and may mean you will pay more tax than is due over the tax year – but don't worry you will be able to claim it back later.

### **What about National Insurance?**

Your employer will deduct National Insurance whenever you earn above a certain level (£146 per week for the tax year 6 April 2012 to 5 April 2013). Unless an employer has incorrectly deducted National Insurance contributions students cannot obtain a refund.

### **For further information on Students and Tax visit [www.direct.gov.uk/studenttaxadvice](http://www.direct.gov.uk/studenttaxadvice)**

**If you have any questions relating to this document visit Financial Support in the Student Services Centre, Portland Building, University Park Campus.**

**Email: [financialsupport@nottingham.ac.uk](mailto:financialsupport@nottingham.ac.uk)**

**Telephone: 0115 823 2071**

*Disclaimer: We have made every effort to ensure the accuracy of this information. However, please note that the information provided is for general guidance only and cannot cover all circumstances.*

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