

Payroll

Processing a P45 to Issue

When staff leave they will require a P45.

A new P45 form has been published by HMRC. This form must be used from 6 April 2009 onwards. In addition all P45 and P46 forms must be sent online from 6 April 2009. There will be a penalty for sending paper forms.

The P45 is in 4 sections

- Part 1 – This copy is retained by the old employer and sent to their tax office to notify that an employee has left
- Part 1A - The Employee retains this copy
- Part 2 – The New Employer's file copy
- Part 3 – The New Employer's Tax office copy

When employing large numbers of staff, or in a business with a high staff turnover, P45s can be obtained in a pre-printed format from

Employers Order line 0845 7 646 646 Mon-Fri 8am-8pm Sat 10am-1pm

Most payroll software will also print off P45s in the correct format from the data entered into the system.

To complete a P45 the details that are already known about the employee need to be completed along with the leaving date. [Payroll Manager](#) will also print off a file copy and there is an option to file online via the software.

The P45 should be issued as soon as possible. This allows the old employee to have the correct tax code under their new employment. It is also the primary document to inform the Inland Revenue that the Employer no longer employs that individual.

Part 1 should be posted as soon as possible to the old Employer's tax office for processing.

Where two or more jobs have been held within the same tax year, there will be entries in boxes 7 for the cumulative pay and tax and boxes 8 for the pay and tax received in the employment just left.