

Payroll

Student Declaration P38S

A P38S needs to be produced at the end of the year when an employee is a qualifying student earning less than the statutory minimum.

The P38S is used as a means of justifying the use of an NT tax code. This does not need to be sent to the Inland Revenue and just needs to be kept on record.

P 14s will still need to be produced if the student pays any National Insurance contributions.

To fulfil the requirements of a qualifying student

- The employee must be attending college until after next April 5th, and have total earnings of less than £5435 (2008/09)
- There must be a start and finish date and details of the college attended to allow an NT code to be used.
- NIC is paid as normal
- The student must have both the starting and finishing date within the same PAYE year
- If NIC has been paid, a P14 and P38S will need to be sent.

Most good payroll packages have a student section – [Payroll Manager](#) allows the employer or agent to add a start date, leaving date, and college attended and the P38S can then be printed off in a standard format.