



HM Revenue  
& Customs



## Employer Help Card

### How to support your new employees to get the right pay faster – understanding the starter declaration form

We know how much there is to do when you take on a new employee, and we want to help you get their pay sorted.

To make this as simple as possible, this help card covers:

- what to do if your new employee doesn't have a P45
- when to use starter declaration code C and what tax code to use with this.

Getting this right helps to make sure your employee is paid correctly – including paying the right tax and National Insurance contributions (NIC), which protects their entitlement to state benefits and the State Pension.

This is good for you too, as it means you'll receive fewer questions from them and avoid what can become a time-consuming problem.

### What to do if your new employee doesn't have a P45?

If your employee already has their P45, you can use this to gather the information needed when starting their new role. **If they don't have a P45, they will need to complete the [starter checklist](#).**

It's really important that you complete the starter checklist **before** adding your employee to the payroll, to help make sure they are paid correctly.

You can find the appropriate starter declaration code and tax code in just a few clicks by using our checklist. These are both needed when submitting a Full Payment Submission (FPS) to HMRC.

To help other employers, you should make sure that you're issuing P45s to employees leaving your organisation, as this will make the induction process much quicker and simpler for them.

## **What to do if the starter declaration form tells you to use code C?**

When completing the starter checklist, your employee will be asked to state which of the four starter declaration statements applies to them. If they select C, this means they have another job or receive a pension (State, workplace or private).

The checklist will allocate your employee a starter declaration code and tax code based on the information provided, and these determine how much your employee will be taxed.

**If the starter checklist shows that your new employee should be on starter declaration code C, use tax code BR for them. This means your employee will be taxed at the basic rate on their income from this job. Any other tax code is incorrect.**

**If you cannot complete the starter checklist, put your new employee on starter declaration code C and use tax code 0T.**