PAYE System

P60

Issued by employer to employee at the end of the year

Shows gross pay, income tax and PRSI paid that year

P60 is required when claiming tax refund on overpaid tax

Can be used as proof of income also

P45

Issued by employer to employee when leaving his job

Provides details of gross pay, income tax and PRSI paid

Required when: entering new employment

Claiming social welfare benefits

Claiming a tax refund

Form 12 A

Completed by all employees before commencing employment

Used to apply for a certificate of tax credits and a standard cut-off point

Tax Credit

Reduces amount of tax payable and is determined by personal circumstances

PAYE tax credit, Flat Rate Expenses tax credit

Gross tax - tax credit = tax payable

Standard cut off point

Amount of taxpayers income that's charged at the standard rate

Anything above taxed at higher rate

Form 21 (balancing statement)

All PAYE taxpayers are entitled to receive a p21 annually

Compares tax paid with the amount of tax that should have been paid

If tax overpaid, taxpayer is entitled to a refund