

Standard letters for you to use

There are two pro-forma letters below on which you may base your letter to HMRC. The basic text of these letters is in **red**. Instruction and sections you need to change are in **blue**. You should fill in details of your own address and circumstances. It will help if you keep a copy of the letter.

You can copy the text from the examples below. It is very important that you are clear about the basis on which you are asking HMRC to write off or reduce the tax bill. There are two basic alternatives:

- 1) You consider that your employer or pension provider has made a mistake and has not applied PAYE correctly, this means that when writing to HMRC, you must point out what mistake you think the employer or pension provider has made – this can apply to any tax year, or
- 2) You consider that HMRC has not made timely use of information it held about your tax affairs and you could reasonable have thought you tax affairs were in order. In this case you must point out what error you think HMRC has made and why you could reasonably have thought your affairs were in order. You may also need to establish that HMRC has delayed sufficiently for Extra Statutory Concession A19 to apply. This will not apply to the most recent tax year, unless HMRC has made repeated mistakes over a number of years

Letter a) is for the situation where you think your employer (or pension provider) has made a mistake – and so they should be responsible for paying the additional tax. ([Link to letter a](#))

Letter b) if for the situation where HMRC has made a mistake and has delayed in making use of information, and it was reasonable for you to think that your tax affairs were correct. ([Link to letter b](#))

Even if your circumstances do not fit exactly within ESC A19 or employer error, you may wish to simply send in a letter of complaint if you think the service you have received from HMRC has been poor (see [Your Charter](#) for details of what HMRC should provide).

Sending a formal letter of complaint is the gateway to taking the matter to the Adjudicator's Office, the independent body which deals with complaints about HMRC (see <http://www.adjudicatorsoffice.gov.uk/>)

a) Standard letter where you think your employer or pension provider has made a mistake

[Your address]

HM Revenue & Customs

[HMRC office address – from recent correspondence, or

HM Revenue & Customs, Pay As You Earn, PO Box 1970, Liverpool, L75 1WX

For complaints, use HM Revenue and Customs, PAYE & Self Assessment Complaints Tier 1

PO Box 4372, Cardiff CF14 8JS]

[Date]

Dear Sirs,

Your Name

Your National Insurance Number

I am writing in response to your tax calculations for the tax year {specify -2012/13, 2013-14 etc.}

The tax calculations appear to show an underpayment of tax for *[state tax years as above]*.

It would seem to me that my employer *[and/or pension provider]* cannot have operated PAYE correctly. I understand that the law and HMRC practice (as detailed in HMRC manual PAYE 95011) requires that HMRC should first “ensure that any underpayment of tax has not occurred because of an employer under-deduction”. I would ask you to review the operation of PAYE in this case and consider whether my employer *[and/or pension provider]* should be held liable for the amount due. *[State here any particular reasons why PAYE may not have been operated correctly e.g. you handed over P45 but this was not processed, Starter Checklist procedures not followed, notices of coding not applied correctly]*.

Please confirm that you are seeking to recover the tax you believe to be underpaid from my employer and that I do not need to take any further action.

Yours faithfully,

b) Letter for the situation where HMRC has made a mistake and has delayed in making use of information, and it was reasonable for you to think that your tax affairs were correct. It will be more difficult to argue this case for the most recent year. You will have a stronger case if earlier years are affected and you have only just been notified about all years concerned. You should look at HMRC guidance on [ESC A19](#), especially that on 'reasonable belief' at <http://www.hmrc.gov.uk/manuals/pommanual/PAYE95081.htm> before writing to them.

[Your address]

HM Revenue & Customs

[HMRC office address– from recent correspondence, or

HM Revenue & Customs, Pay As You Earn, PO Box 1970, Liverpool, L75 1WX

*For complaints, use HM Revenue and Customs, PAYE & Self Assessment Complaints Tier 1
PO Box 4372, Cardiff CF14 8JS]*

[Date]

Dear Sirs,

[Your Name]

[Your National Insurance Number]

I am writing in response to your tax calculations for the tax year(s). *[Amend as appropriate]*.

The tax calculations appear to show an underpayment of tax when, as far as I was aware, my tax affairs were in order and all the tax I was due to pay had been deducted by my *[employer/pension provider]* under PAYE.

I accept that the calculations are based on my correct income figures *[if the calculations are not correct you should point out any errors]*.

HMRC have failed to make timely use of information supplied to them and I would therefore like to apply for the tax to be given up under ESC A19.

This is on the basis that: *{select the paragraphs which apply}*

- HMRC had all the relevant information already in its possession.

P14s [and P11Ds] for would have been received by HMRC by 19th May following the end of the tax year

State Pensions and Benefits data would have been received from the DWP in a similar timeframe.

- Whilst the underpayment has been notified to me within twelve months of the end of the tax year in which HMRC received the relevant information, the arrears have been allowed to build up over two whole tax years in succession and in these circumstances, ESC A19 allows for arrears notified within less than 12 months to be given up

- I had no reason to believe that my tax affairs were not in order. *[To make this statement, HMRC expect you to have checked the tax codes sent to you, and contacted them for explanations if necessary, or asked for help if you have particular problems eg with language, reading, numbers etc]*

Give further details of why you did not understand that you were underpaying tax e.g. I rang HMRC on xx date about my codings, and was assured all was correct;

For example:

I have never received any notices of coding to enable me to check my tax code; I have always worked as a employee and have no experience of financial matters.

I have only recently come to the UK and do not understand the UK tax system; I have had several part-time jobs and a number of changes, and have found it difficult to keep up with all the changes of tax codes; I have had the same two sources of income for many years.

It does not seem reasonable that as an unrepresented taxpayer/elderly person I could understand that I might have underpaid tax in these circumstances.

I have been suffering from... . I did not understand my notices of coding because....

Failure to give up this tax under ESC A19 will cause me to suffer financial difficulties [give any relevant information about your personal circumstances].

I would therefore ask you to give this letter you urgent attention.

Yours faithfully,