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STATUTORY INSTRUMENTS

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**2003 No. 2682**

**The Income Tax (Pay As You Earn) Regulations 2003**

**PART 3**

**DEDUCTION AND REPAYMENT OF TAX**

**CHAPTER 1**

**DEDUCTION AND REPAYMENT**

*The non-cumulative basis*

**Non-cumulative basis: modification of general rule**

**28.**—(1) Paragraphs (2) to (5) modify the general rule in regulation 27(1) (the non-cumulative basis) in certain circumstances.

(2) If regulation 30 (employee not paid weekly or monthly) applies to the employee's main relevant payments, the employer must deduct from a relevant payment the amount of tax which would have been deductible, by reference to the employee's code, if the payment (whether or not it is a main relevant payment) had been made on the date given by that regulation.

(3) If the employer does not normally make relevant payments to the employee at regular intervals, the employer must deduct from a relevant payment the amount of tax which would have been deductible, by reference to the employee's code—

- (a) if the payment is the first payment in the tax year, on the date it is made, or
- (b) in any other case, on the date found by counting forward  $x$  days starting on 5th April, where  $x$  is the number of days found by starting with the date of the previous relevant payment and counting forward to the date of the payment in question.

(4) But if two or more relevant payments are made in the same tax week, the employer must deduct from the second or subsequent relevant payment the amount of tax which (subject to regulation 29(5)) would have been deductible, by reference to the employee's code, if that payment were made at the date given by paragraph (3) for the first payment.

(5) If the employee's code is a K code, the deduction is not to exceed the overriding limit, subject to regulation 62(6) (notional payments).