
STATUTORY INSTRUMENTS

2003 No. 2682

The Income Tax (Pay As You Earn) Regulations 2003

PART 1

INTRODUCTION

Interpretation

PAYE threshold

9.—(1) The rules set out in Table 1 apply in order to determine whether a relevant payment made by an employer to an employee is a relevant payment which exceeds the PAYE threshold.

(2) Rules 1 to 5 apply if the employer normally pays the employee at regular intervals.

(3) If the employer does not normally pay the employee at regular intervals—

- (a) rule 6 applies to determine whether a relevant payment made less than a week since the previous relevant payment exceeds the PAYE threshold, and
- (b) rule 7 applies to determine whether any other relevant payment exceeds the PAYE threshold.

Table 1

Determination of PAYE threshold

<i>Employee's payment interval</i>	<i>Rule to determine whether relevant payment exceeds PAYE threshold</i>
1. Weekly	1. If the sum of the relevant payment and any other relevant payments made earlier in the same tax week is more than the weekly PAYE threshold.
2. Monthly	2. If the sum of the relevant payment and any other relevant payments made earlier in the same tax month is more than the monthly PAYE threshold.
3. Regular intervals which are multiples of a week	3. If the sum of the relevant payment and any other relevant payments made earlier in the same interval is more than the corresponding multiple of the weekly PAYE threshold.
4. Regular intervals, longer than a week, which are fractions or multiples of a month	4. If the sum of the relevant payment and any other relevant payments made earlier in the same interval is more than the corresponding

<i>Employee's payment interval</i>	<i>Rule to determine whether relevant payment exceeds PAYE threshold</i>
	fraction or multiple of the monthly PAYE threshold.
5. Regular intervals, longer than a week, which are not within rules 1 to 4	5. If the sum of the relevant payment and any other relevant payments made earlier in the same interval is more than the corresponding proportion of the weekly PAYE threshold.
6. Intervals shorter than a week, whether regular or irregular	6. If the sum of the relevant payment and any other relevant payments made earlier in the same tax week is more than the weekly PAYE threshold.
7. Irregular intervals longer than a week	7. If the relevant payment is more than the corresponding proportion of the weekly PAYE threshold since— <ul style="list-style-type: none"> (a) any previous relevant payment in the tax year, or (b) if none, the start of the employment or the start of the tax year (whichever is later).
(4) Regulations 24 and 30 (employee not paid weekly or monthly)— <ul style="list-style-type: none"> (a) apply for the purpose of establishing an employee's normal payment interval, but (b) must otherwise be ignored for the purpose of determining whether a relevant payment exceeds the PAYE threshold. 	(5) If an employee has more than one normal payment interval in respect of payments made by the same employer, the rules must be applied on the basis of the shorter or shortest of those intervals. (6) If an employee's normal payment interval is longer than a year, the rules must be applied as if the normal payment interval were a year. (7) "Weekly PAYE threshold" means 1/52 of the personal allowance specified in section 257(1) of ICTA, rounded to the nearest pound. (8) "Monthly PAYE threshold" means 1/12 of the personal allowance specified in section 257(1) of ICTA, rounded to the nearest pound. (9) The "corresponding proportion of the weekly PAYE threshold" is established by dividing the number of days in the payment interval by 7, and multiplying the result by the weekly PAYE threshold.